



# SCENARIOS FOR THE ACPR PILOT EXERCISE

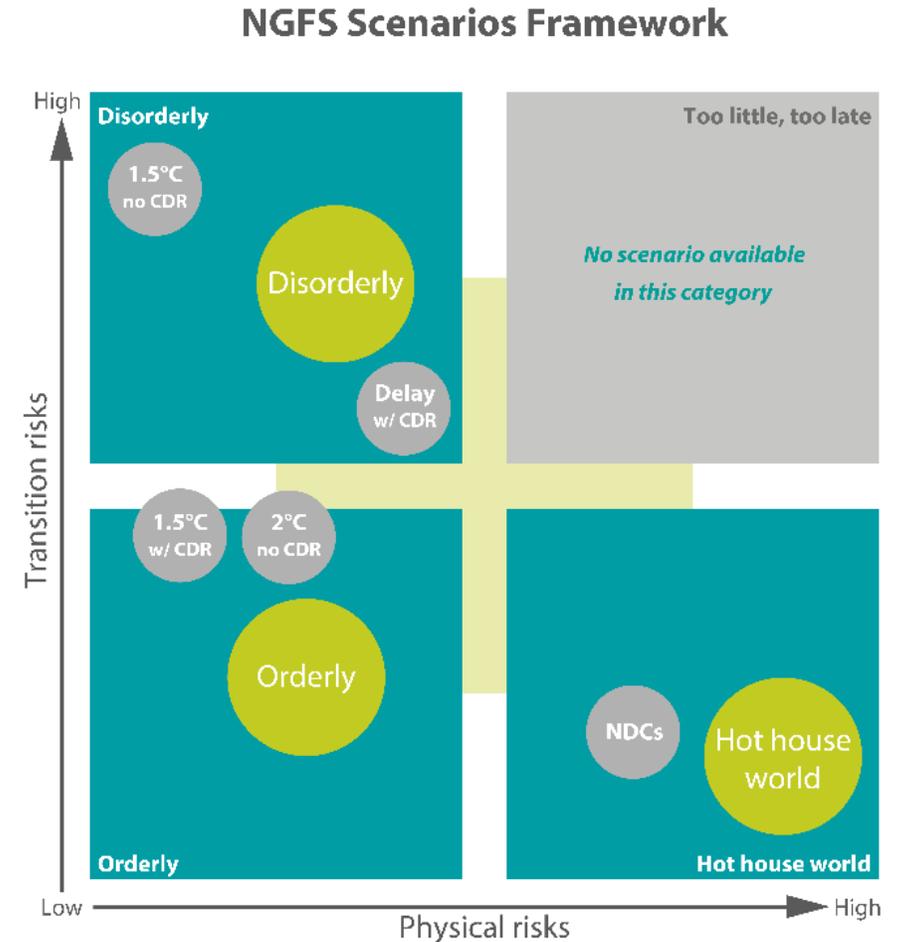
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\*The views expressed in this presentation are those of the authors and do not necessarily reflect the views of the Banque de France. Any errors and omissions are the sole responsibility of the authors.

# NGFS phase 1 scenarios

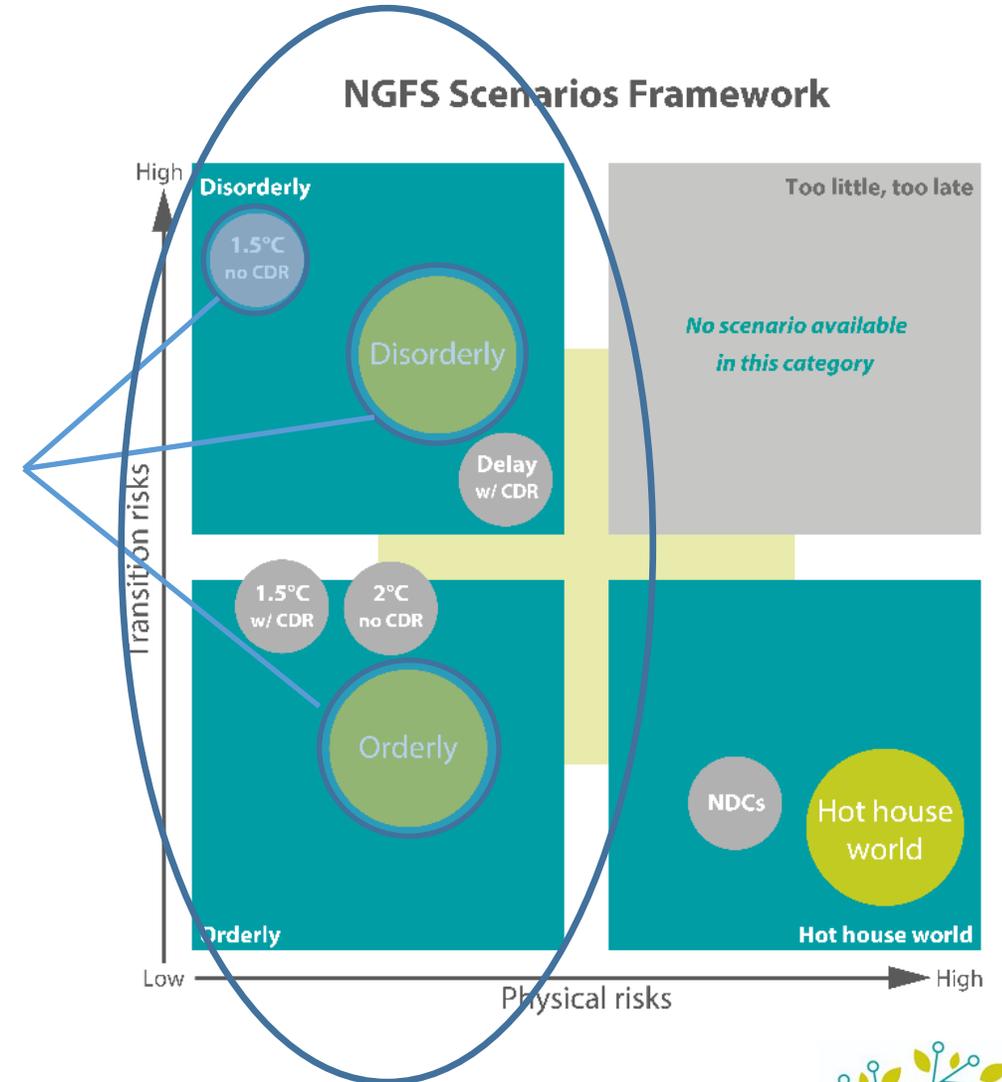
- NGFS released a **set of high-level reference scenarios** in June 2020, produced jointly with an academic consortium
- The first phase explores **8 scenarios** consistent with the NGFS framework
- They explore futures in which:
  - Different **temperature outcomes** are reached (e.g. 1.5°C, > 2°C, 3°C+)
  - **Emissions reductions** commence soon or are delayed (to 2030)
  - All **technologies** are available or not



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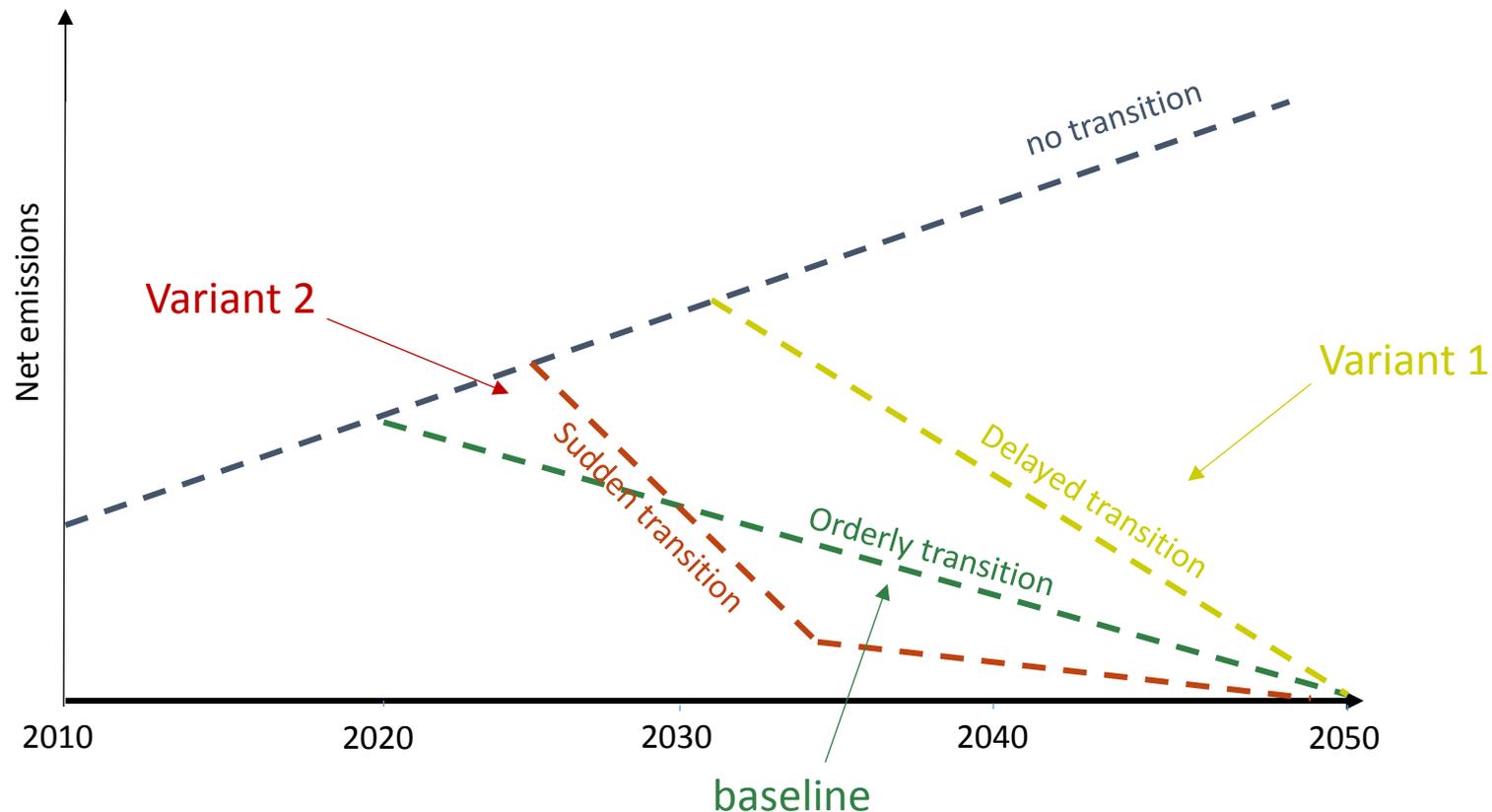
## 3 transition scenarios for the ACPR pilot exercise



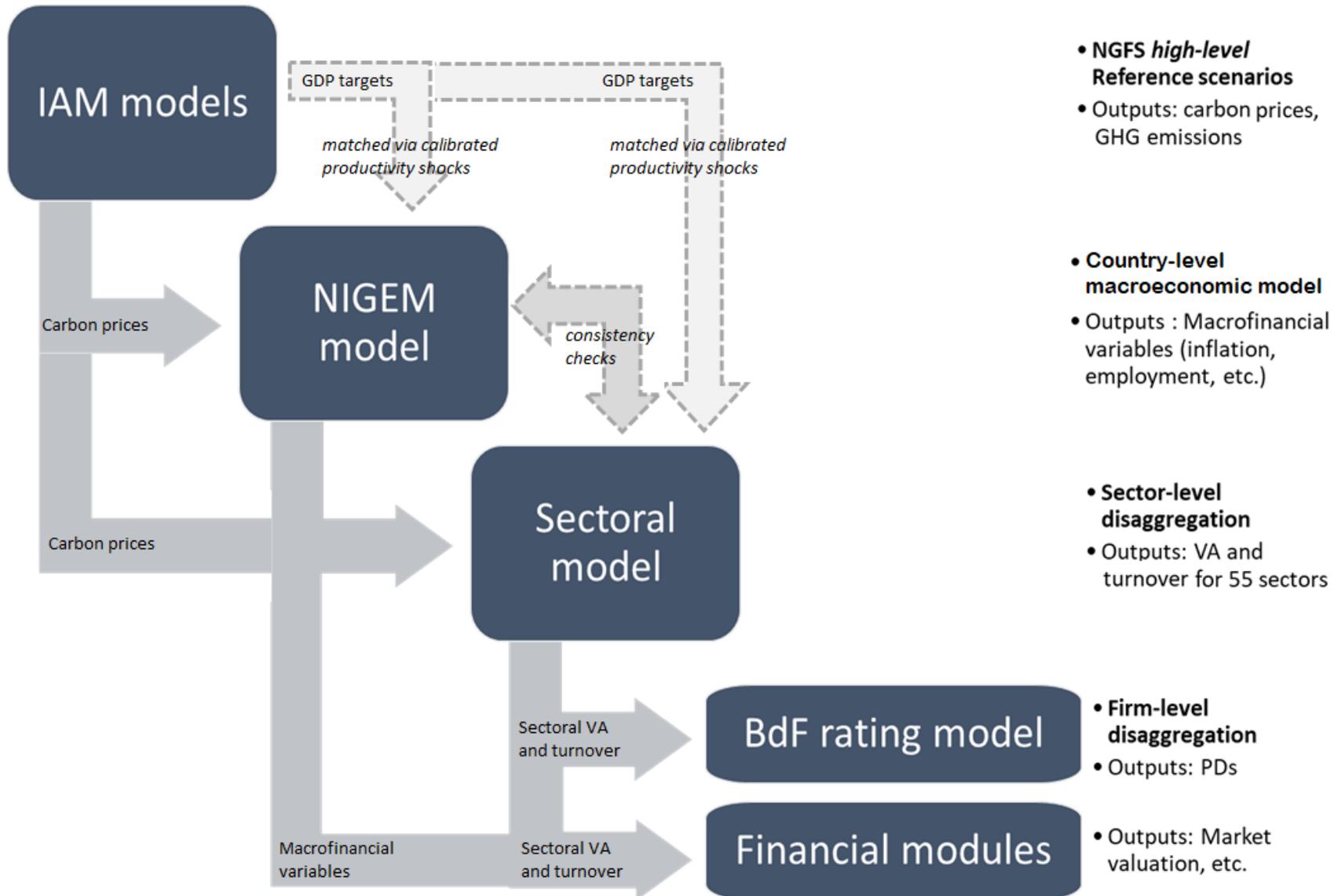
# Which scenarios?

What type of transition to reach zero net emissions by 2050?

Orderly (**baseline**) and disorderly scenarios (**2 adverse variants**)

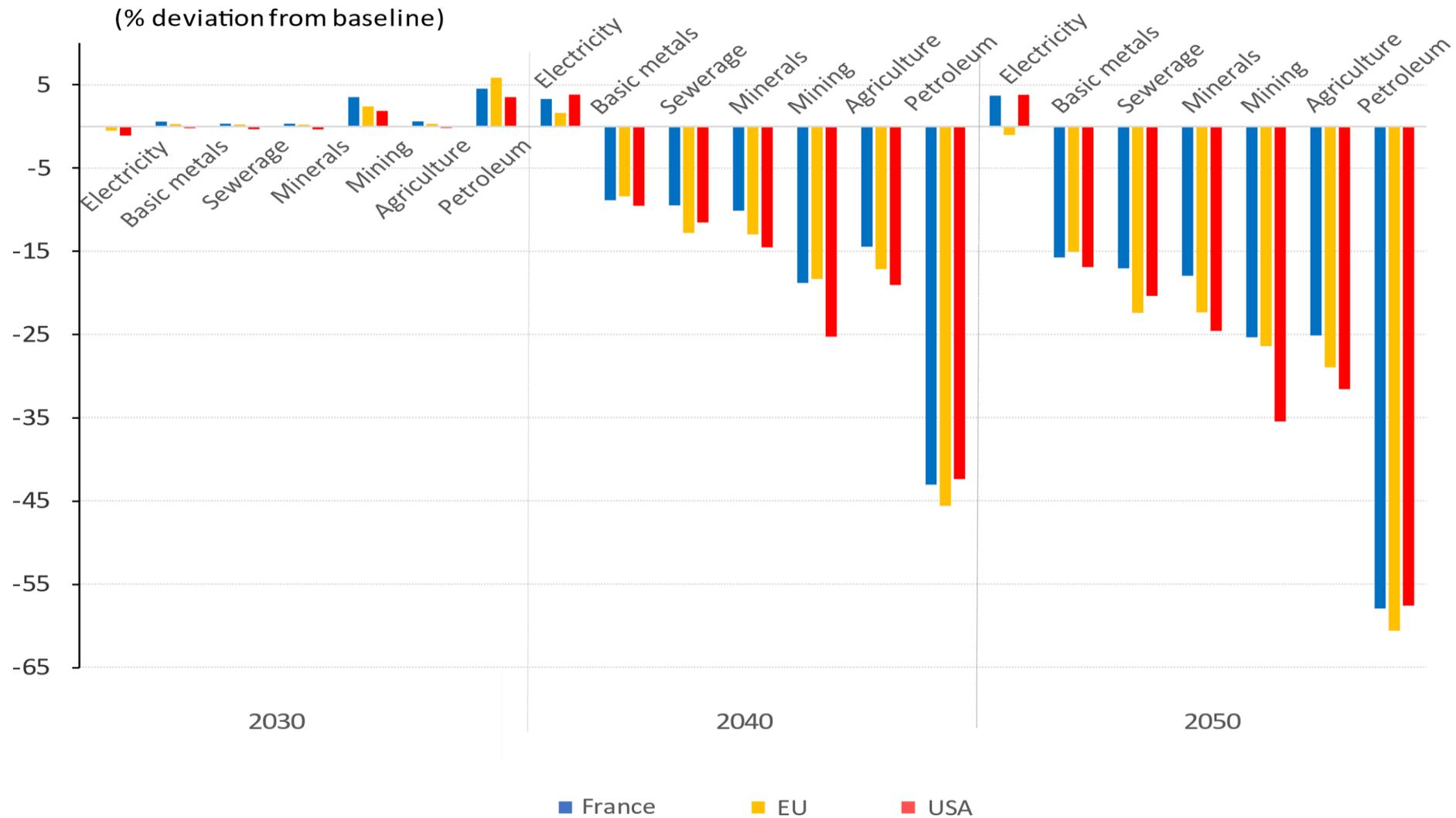


# Which models?



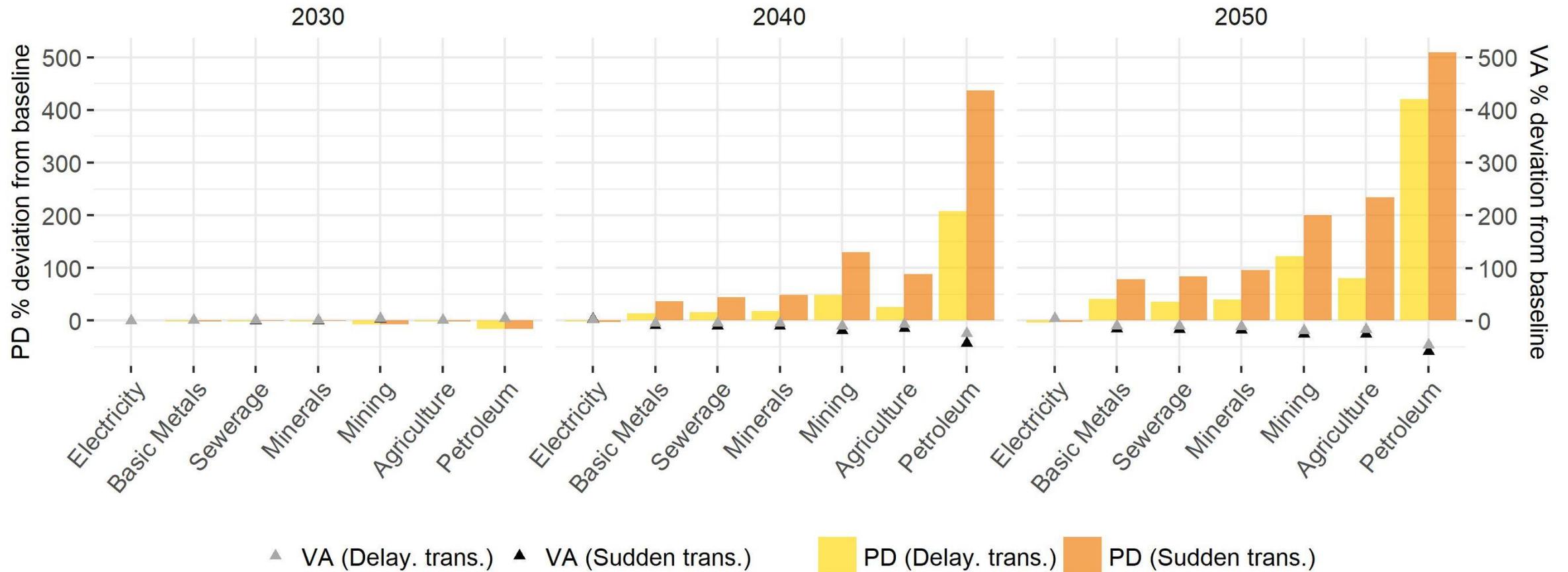
# Sectoral impacts

Impacts on sectoral real value added (sudden transition)



# Financial impacts

PDs more and more impacted over time



# References

- [Scenarios and main assumptions](#)
- [Modelling framework and scenario details](#)
- [Guidance and scenario data](#)
- [The main results of the 2020 climate pilot exercise](#)
- [Governance and climate-related risk management](#)
- [French insurers facing climate change risks](#)
- [French banking groups facing climate change-related risks](#)

**Thank you**